Involvement of Foreign Banks in Poverty Alleviation Programmes

3509. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the foreign banks are not involved in poverty alleviation programme in the country;

(b) if so, whether directions of the Reserve Bank of India have been violated by the foreign banks; and

(c) what steps have been taken to involve foreign banks in poverty alleviation programmes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. P. VEERENDRA KUMAR): (a) to (c) Foreign Bank are required to lend to Priority Sector to the extent of 32% of net bank credit (with sub target of 10% and 12% in respect of advances for small scale industries and export credit respectively) as against the target of 40% in respect of Indian Scheduled Commercial Banks. In case of any shortfall in priority sector lending, foreign banks are required to place deposits equivalent to the shortfall with the Small Industries Development Bank of India (SIDBI) at an interest rate of 8% per annum. Poverty alleviation schemes, namely, IRDP, DRI, SLRS, PMRY and PMIUPEP sponsored by Govt. of India are being implemented through Indian Scheduled Commercial Banks. Foreign Banks have presence only in Port Towns and Metropolitian Centres and as such these banks are not assigned targets for agriculture and Government sponsored schemes.

Income Tax Payees in Delhi

3510. SHRI MD. SALIM:
SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that only four lakh and fifty thousand Delhi residents pay income tax, while the city has 26 lakhs vehicles, 80 lakh telephones and 15 lakh house owners;

(b) whether this situation arises out of the inadequancy of or due to lack of proper enforcement of the existing laws; and

(c) if so, what steps are being taken to plug such loopholes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. P. VEERENDRA KUMAR): (a) to (c) The number of assessees in Delhi as on 31.3.1997 is 7,71,340 (provisional figures). Under the provisions of Income-tax Act, a person is required to file return of income if his total income during the previous year exeeds the maximum amount not chargeable to income-tax.

There can be a number of reasons for the disparity between the number of income-tax assessees and the number of persons owning telephones, vehicles, houses etc. At the same time it is true that the number of tax payers in the country is substantially low as compared to the population and the Government has, from time to time, taken various steps to increase the number of tax payers. With a view to further widen the tax-net, the Finance Bill, 1997 has introduced a proviso to Section 139(1) of the Income-tax Act requiring every person who satisfies any two of the following conditions namely:

(i) occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise, as may be specified by the Board in this behalf; or

(ii) is the owner or the lessee of a motor vehicle; or

(iii) is a subscriber to a telephone; or

(iv) has incurred expenditure for himself or any other person on travel to any foreign country, to file return of income. By imposing such requirements for filling return of income, the task of identification of potential tax payers is likely to become easier.